

*#20/Appeal
Brief*

CITI0094

PATENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re the U.S. Application of

Cris T. PALTENGHE, et al.

Group Art Unit: 2161

Serial No.: 09/190,993

Examiner: HAYES, J.

Filed: November 12, 1998

For: VIRTUAL WALLET SYSTEM

TRANSMITTAL OF APPEAL BRIEF

Assistant Commissioner for Patents
Washington, D.C. 20231

Sir:

Transmitted herewith, in triplicate, is the Appeal Brief in this application, with respect to the Notice of Appeal filed December 17, 2001. Attached hereto is a Petition for Extension of Time for response within the third extended month and checks for \$320.00 for the Appeal Brief and \$920.00 for the extension of time. The Commissioner is hereby authorized to charge any additional fees to Deposit Account No. 501458.

Respectfully submitted,

Date: 5/8/02

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APPELLANTS' BRIEF ON APPEAL

Appeal From Group Art Unit: 2161
Examiner: Hayes, J.

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Per 37 C.F.R. § 1.192(c), this brief contains these items under the following headings, and in the order set forth below:

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I. REAL PARTY IN INTEREST

The real party in interest in this appeal is the Assignee of record, Citicorp Development Center, Inc., as evidenced by the Assignment recorded on January 28, 1999 at Reel 9744, Frame 0488.

II. RELATED APPEAL AND INTERFERENCES

Appellants, Appellants' undersigned counsel, and Assignee are unaware of any appeal or interference that would have a direct effect upon the instant appeal, or that would be affected by the instant appeal, or that would have any bearing on the instant appeal.

III. STATUS OF THE CLAIMS**A. Total Number of Claims in Application**

There is a total of 11 claims pending in this application, which are identified as Claims 14-24.

B. Status of All the Claims

1. Claims canceled: Claims 1-13.
2. Claims withdrawn from consideration but not canceled: NONE.
3. Claims pending: Claims 14-24.
4. Claims allowed: NONE.
5. Claims rejected: Claims 14-24.

C. Claims on Appeal

The claims on appeal are: Claims 14-24.

IV. STATUS OF AMENDMENTS

Claims 14-24 were finally rejected in the Final Office Action dated June 15, 2001.

Appellants filed a Notice of Appeal on December 17, 2001. Subsequent to the Notice of Appeal, an amendment has been filed to remove the second occurrence of the word "wherein" from Claim 23.

V. SUMMARY OF INVENTION

Methods and systems of the present invention include information and financial banking methods utilizing virtual wallets that are a *hybrid* between a wallet that resides locally with the owner and a wallet that resides remotely, such as, with a server. *Appl. Spec.*, p. 3, lines 20-22: p. 10, lines 25-28. The virtual wallet system may interact with the outside world through the local portion *and/or* the server portion of the virtual wallet system. *Appl. Spec.*, p. 10, lines 29-30. The hybrid virtual wallet system combines the portability, owner control and minimized issuer resource aspects of a local wallet with the security and storage capability of a remote wallet. *Appl. Spec.*, p. 10, line 30 - p. 11, line 1. Thus, the hybrid virtual wallet advantageously optimizes the advantages of each type of residence. *Appl. Spec.*, p. 11, lines 1-2.

An embodiment of the virtual wallet system comprises software that acts as a container for an owner/user of the virtual wallet, for at least one of the following: payment mechanisms, identity authentication mechanisms, personal information, and electronic artifacts. *Appl. Spec.*, p. 4, lines 8-11. Additionally, an embodiment of the hybrid virtual wallet system comprises a locally residing wallet portion that holds "connectors" to applications that resides on the server

portion. *Appl. Spec.*, p. 16, lines 3-4. An aspect of the connector is a key or certificate that helps identify an authorized user of the application. *Appl. Spec.*, p. 16, lines 4-5.

Payment mechanisms stored in the virtual wallet may comprise bank account information, credit account information, electronic currency, electronic checks and debit cards, for example. *Appl. Spec.*, p. 5, lines 14-16. Identity authentication mechanisms stored in the virtual wallet include personal identification information and authentication information. *Appl. Spec.*, p. 5, lines 16-17. Personal identification information may comprise, for example, name, home address, work address, home phone, work phone, emergency contact information, and biometric information. *Appl. Spec.*, p. 5, lines 18-20. Authentication information may comprise objects such as certificates, access keys and biometric information. *Appl. Spec.*, p. 5, lines 20-21. Personal information and artifacts of the owner that are stored in the virtual wallet may comprise, for example, the personal identification information as stated above, other personal phone numbers and addresses, appointments and reminders, personal preferences and interests, loyalty credits, coupons, pictures, tokens and tickets. *Appl. Spec.*, p. 5, lines 21-25.

VI. ISSUES

A. First Issue

The first issue is whether Claims 14-22 are unpatentable under 35 U.S.C. § 103(a) over Williams et al. (U.S. Pat. No. 6,016,484) ("Williams") *in view of* Teicher (U.S. Pat. No. 5,744,787) ("Teicher").

B. Second Issue

The second issue is whether Claims 23 and 24 are unpatentable under 35 U.S.C. § 103(a) over Williams and Teicher as applied to Claim 14 and *further in view of Biffar* (U.S. Pat. No. 5,903,880) ("Biffar").

VII. GROUPING OF CLAIMS

For purposes of this Appeal Brief only, Claims 14-24 stand or fall together.

VIII. ARGUMENTS**A. First Issue****1. REJECTION OF CLAIMS 14-22 UNDER 35 U.S.C. § 103(a)**

Claims 14-22 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Williams et al. (U.S. Pat. No. 6,016,484) ("Williams") *in view of Teicher* (U.S. Pat. No. 5,744,787) ("Teicher").

It is a fundamental teaching of patent law that "[u]nder § 103, teachings of references can be combined only if there is some suggestion or incentive to do so." *ACS Hosp. Sys. Inc. v. Montefiore Hosp.*, 732 F.2d 1572, 1577, 221 U.S.P.Q. 929, 933 (Fed. Cir. 1984). "There must be some reason, suggestion, or motivation found in the prior art whereby a person of ordinary skill in the field of the invention would make the combination. That knowledge can not come from the applicant's invention itself." *In re Oetiker*, 977 F.2d 1443, 24 U.S.P.Q.2d 1443 (Fed. Cir. 1992).

Appellants respectfully submit that a *prima facie* case of obviousness has not been established by the Examiner. Both the case law of the Federal Circuit and the PTO itself have made it clear that where a modification must be made to a cited reference to reject or invalidate a claim

under § 103(a), there must be a showing of proper motivation to do so. The mere fact that a cited reference could be modified to meet the claim is insufficient to establish obviousness. None of the references cited by the Examiner makes obvious the invention, as claimed by Appellants.

The present invention is directed to a virtual wallet system that comprises a hybrid between a wallet that resides locally with the owner and a wallet that resides remotely with a server. *Appl. Spec.*, p. 10, lines 25-28. The virtual wallet system may interact with the outside world through the local portion *and/or* the server portion of the virtual wallet system. *Appl. Spec.*, p. 10, lines 29-30. The hybrid virtual wallet combines the portability, owner control and minimized issuer resource aspects of a local wallet with the security and storage capability of a remote wallet. *Appl. Spec.*, p. 10, line 30 - p. 11, line 1. Claims 14-24 are directed to a virtual wallet system having a hybrid configuration and a method for making purchases of electronic goods using this hybrid configuration.

Neither Williams nor Teicher individually or in combination shows or suggests the invention as claimed. In citing Williams, the Examiner states,

Williams et al discloses a virtual wallet system comprising a locally residing wallet portion, an external server residing wallet portion and further discloses exchanging first data from a local portion of the wallet into a point of sale device wherein the first data includes a transactional amount.

Final Office Action, June 15, 2001, p. 3.

Applicants respectfully disagree that Williams shows the hybrid virtual wallet system as claimed. As noted in Applicants' specification,

The local residence of the wallet may comprise ... [a] device that enables the wallet to be utilized off-line. Typically, the local aspect of the virtual wallet, the local contents, comprises data and

information determined by the wallet owner to be important, while the entire wallet is contained remotely. For example, the local aspect of the virtual wallet may comprise stored value purses, important personal and authentication information, and account information enabling the local aspect of the virtual wallet to emulate any of the functionality contained within the entire wallet. The owner advantageously is able to define and have access to the most important aspects of the wallet in a convenient package that can be remotely utilized.

Appl. Spec., p. 11, lines 5-14.

As shown in Fig. 1B of Williams, the Williams' system comprises four components: a merchant's web site 180, a bank's web site 182, the consumer's desktop 186, and the "VeriFone" web site 184. Williams, fig. 1B. Wallets 158 reside in the consumer desktop and the bank web site has a single account wallet 160. *Id.* The VeriFone web site comprises the paywindow helper application 188. *Id.* The consumer desktop comprises the wallet manager, payment manager, and the certificate manager. *Id.*

To show the hybrid local/server configuration, the Examiner appears to primarily rely on Williams for the language, "the paywindow helper application 188 [VeriFone web site] is utilized by the consumer to authorize the payment to the merchant, to administer their wallets, to review their previously completed payment transactions and to perform house keeping activities on the wallets... The browser launches this application when the merchant system sends a MIME message requesting payment" (col. 11, lines 59-67). Applicants respectfully submit that Williams' teaching does not show the claimed limitations of the hybrid virtual wallet system comprising of an externally residing wallet portion and a locally residing wallet portion configured to carry out the series of method steps claimed in Claim 14.

With respect to the method steps of Claim 14, the Examiner concedes that,

Williams et al ... fails to specifically disclose synchronization between the local and server portions of the wallet by receiving and storing at the server portion an electronic voucher indicative of the good purchased and receiving a request for the electronic voucher at the server portion and providing the good to a user.

Final Office Action, June 15, 2001, p. 4. However, to address this discrepancy, the Examiner relies on Teicher. Specifically, the Examiner states,

Teicher discloses a system and method for making purchases with an electronic wallet that includes a local wallet portion and an associated server portion at a financial institution and teaches receiving and storing at the server portion an electronic voucher indicative of the purchase and receiving a request for the electronic voucher at the server portion of the wallet ... and providing the good to a user upon receipt of the electronic voucher.

Final Office Action, June 15, 2001, p. 4. Applicants respectfully disagree. In the language cited by the Examiner, Teicher discloses a method of paying for purchases by presenting an electronic wallet at a point-of-sale (POS) terminal and having the amount charged to the corresponding credit card account, or debited from the corresponding bank account, maintained by a bank (col. 7, line 61 to col. 8, line 3). These transactions may be stored and later downloaded by the banks when they conduct batch processing (col. 8, lines 9-14). The customer's accounts are charged wherein the charged amount is transferred to the bank account of the merchant (col. 10, lines 15-27).

Teicher does not disclose a hybrid wallet comprising a *locally residing portion* and a *separate server residing portion* as claimed. Teicher discloses the use of an electronic wallet to charge or debit an account or to make purchases with electronic cash. Teicher also discloses the interactions of the bank's servers where the corresponding accounts are maintained. Nowhere does Teicher teach or suggest receiving at the *server residing portion of the virtual wallet* an electronic

voucher indicative of the *electronic good* purchased at the point of sale device as claimed. Neither does Teicher teach nor suggest receiving a request for the electronic voucher and *providing the electronic good to a user* upon receipt of the electronic voucher, as claimed.

It is most respectfully submitted that Williams and Teicher individually or in combination do not show nor make obvious the limitations recited in independent Claim 14.

Appellants respectfully submit that the above arguments successfully traverse the 35 U.S.C. § 103(a) rejection of independent Claim 14. In light of the fact that Claims 15-24 are dependent from Claim 14, Appellants respectfully submit that the rejection of Claims 14-24 should be withdrawn.

2. CONCLUSION

For the reasons advanced above, Appellants respectfully contend that Claims 14-22 are patentable over Williams *in view of* Teicher. Therefore, a reversal of this rejection is respectfully requested.

B. Second issue

1. REJECTION OF CLAIMS 23 AND 24 UNDER 35 U.S.C. § 103(a)

Claims 23 and 24 were rejected under 35 U.S.C. § 103(a) over Williams and Teicher as applied to Claim 14 and *further in view of* Biffar. This rejection is respectfully traversed. For at least the following reasons, withdrawal of this rejection is respectfully requested.

Appellants respectfully submit that a *prima facie* case of obviousness has not been established by the Examiner. As set forth above, it is most respectfully submitted that there is no

suggestion for combining the Williams and Teicher references, and even when combined, they fail to show or make obvious the limitations recited in independent Claim 14.

Because Claims 23 and 24 depend from Claim 14, for the same reasons advanced above, it is most respectfully submitted that Claims 23 and 24 are also in condition for allowance.

2. CONCLUSION

Appellants respectfully contend that Claims 23 and 24 are patentable over Williams and Teicher as applied to Claim 14 and *further in view of Biffar*. Therefore, a reversal of this rejection is respectfully requested.

Respectfully submitted,

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IX. APPENDIX OF CLAIMS INVOLVED IN THIS APPEAL

14. A method of purchasing an electronic good using a virtual wallet, comprising the steps of:

exchanging first data from a local portion of the virtual wallet into a point of sale device wherein the first data includes a transactional amount;

receiving at a server portion of the virtual wallet an electronic voucher indicative of the electronic good purchased at the point of sale device;

storing the electronic voucher at the server portion of the virtual wallet;

receiving a request for the electronic voucher at the server portion of the virtual wallet; and

providing the electronic good to a user upon receipt of the electronic voucher.

15. The method of claim 14, wherein both the local portion and the server portion include at least one of the following: payment mechanisms, identity authentication mechanisms, personal information, and electronic artifacts.

16. The method of claim 15, wherein the payment mechanisms comprise one or more of the following: bank account information, credit account information, electronic currency, electronic checks and debit cards.

17. The method of claim 15, wherein the identity authentication mechanisms comprise personal identification information and authentication information.

18. The method of claim 15, wherein personal information comprises one or more of the following: name, home address, work address, home phone, work phone, emergency contact information, personal phone numbers and addresses, appointments and reminders, personal preferences and interests and biometric information.

19. The method of claim 17 wherein personal identification information comprises one or more of the following: name, home address, work address, home phone, work phone, emergency contact information, and biometric information.

20. The method of claim 17 wherein authentication information comprises one or more of the following: certificates, access keys and biometric information.

21. The method of claim 15, wherein the electronic artifacts comprise one or more of the following: loyalty credits, coupons, pictures, tokens and tickets.

22. The method of claim 14, wherein the server portion includes a mirror of information contained on the local portion.

23. The method of claim 14, wherein the server portion includes applications and the local portion comprises connectors to the applications that reside on the server portion.

24. The method of claim 23, wherein the connectors comprise proxies for keys that identify an authorized user of the application.